

"Residential unit" defined.

defined as consisting of one residential structure together with any garages or other outbuildings appurtenant thereto.

Amendment.

SEC. 2. Section 6, chapter XXIV (24), Laws of 1893 (sec. 1135, Rem. Rev. Stat.), is amended to read as follows:

Duties of County Auditor.

Section 6. The County Auditor must record the claims and notices mentioned in this act in a book to be kept by him for that purpose, which record must be indexed as deeds and other conveyances are required by law to be indexed.

Passed the House March 3, 1949.

Passed the Senate March 9, 1949.

Approved by the Governor March 19, 1949.

CHAPTER 218.

[H. B. 651.]

INHERITANCE TAX.

AN ACT relating to revenue and taxation; relating to inheritance taxation, amending section 1, chapter 55, Laws of 1901, as last amended by section 1, chapter 184, Laws of 1945.

Be it enacted by the Legislature of the State of Washington:

Amendment.

SECTION 1. Section 1, chapter 55, Laws of 1901, as last amended by section 1, chapter 184, Laws of 1945, is amended to read as follows:

Property inherited subject to tax.

Section 1. All property within the jurisdiction of this state, and any interest therein, whether belonging to the inhabitants of this state or not, and whether tangible or intangible, which shall pass by will or by the statutes of inheritance of this or any other state or by deed, grant, sale, contract or gift made in contemplation of the death of the grantor, or donor, or by deed, grant or sale, contract or gift made or intended to take effect in possession or in

enjoyment after death of the grantor, or donor, to any person in trust or otherwise, or by a transfer in trust or otherwise, under which the grantor or donor has retained for his life or for any period not ascertainable without reference to his death, or for any period which does not in fact end before his death, the possession or enjoyment of any part of the property, or the right to all or any part of the income from the property, or the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom shall, for the use of the state, be subject to a tax measured by the full value of the entire property as provided for in section 2, after the payment of all debts owing by the decedent at the time of his death, the local and state taxes due from the estate prior to his death, and a reasonable sum for funeral expenses, monument or crypt, court costs, including cost of appraisement made for the purpose of assessing the inheritance tax, the fees of executors, administrators or trustees, reasonable attorney's fees, and family allowance not to exceed one thousand dollars (\$1,000), and no other sum, but said debts shall not be deducted unless the same are allowed or established within the time provided by law, and all administrators, executors, and trustees, and any such grantee under a conveyance, and any such donee under a gift, made during the grantor's or donor's life, shall be respectively liable for all such taxes to be paid by them, with interest as hereinafter provided until the same shall have been paid, and whenever property, real or personal, other than real property held by the entirety, is held in the joint name of two or more persons, or deposited in banks or other institutions or depositories in the joint names of two or more persons and payable to either or the survivor, upon the death of one of such persons the right of the surviving joint tenants,

Debts and taxes deducted.

Executors', appraisers' and attorneys' fees deducted.

Estates payable to survivor.

person or persons to the immediate ownership or possession and enjoyment of such property shall be deemed a transfer taxable under the provisions of this act in the same manner as though the whole property to which such transfer relates belonged absolutely to the deceased joint tenant or joint depositor and had been devised or bequeathed to the surviving joint tenant or tenants, person or persons by such deceased joint tenant or joint depositor by will, excepting therefrom such parts thereof as may be shown to have originally belonged to such surviving joint tenant, joint depositor or person, and never to have been acquired from the decedent for less than a fair consideration in money or money's worth, and if said property shall have been acquired from decedent for less than such fair consideration, there shall be excepted from the value of said property a portion equal to the amount of the consideration so furnished.

Property acquired for less than full value.

Lien.

Unless the tax is sooner paid in full, it shall be a lien upon the gross estate of the decedent for ten (10) years from the date of death, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any Court having jurisdiction thereof, shall be divested of such lien. If the Tax Commission is satisfied that the tax liability of an estate has been fully discharged or provided for, it may, under regulations prescribed by it, issue its certificate, releasing any or all property of such estate from the lien herein imposed. The limitation period shall in each case be extended for a period of time equal to the period of pendency of litigation of questions affecting the determination of the amount of tax due, provided a lis pendens has been filed with the County Auditor.

Lien transferred to proceeds upon sale of part of estate.

Any part of the gross estate as is sold, pursuant to an order of the Court for the payment of charges against the estate and the expenses of its administra-

tion, shall be divested of such lien and such lien shall be transferred to the proceeds. A mortgage on property pursuant to an order of Court for payment of charges against the estate and expenses of administration shall constitute a lien upon said property prior and superior to the inheritance tax lien which inheritance tax lien shall attach to the proceeds.

If (1) except in the case of a bona fide sale for an adequate and full consideration in money or money's worth, the decedent makes a transfer, by trust or otherwise, of any property in contemplation of or intended to take effect in possession or enjoyment at or after his death, or makes a transfer, by trust or otherwise, under which he has retained for his life or for any period not ascertainable without reference to his death or for any period which does not in fact and before his death (A) the possession or enjoyment of, or the right to the income from, the property, or (B) the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom, or (2) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a bona fide purchaser for an adequate and full consideration in money or money's worth shall be divested of the lien and a like lien shall then attach to all the property of such transferee or trustee, except any part sold to a bona fide purchaser for an

Transfer by
decedent.

Insurance.

Lien divested
upon bona
fide sale.

adequate and full consideration in money or money's worth.

Passed the House March 10, 1949.

Passed the Senate March 10, 1949.

Approved by the Governor March 19, 1949.

CHAPTER 219.

[H. B. 466.]

INDUSTRIAL INSURANCE.

AN ACT relating to industrial insurance; providing compensation and remedies of workmen hereafter injured in extra-hazardous employment, and of their dependents, minor children and beneficiaries in case of death; creating the Board of Industrial Insurance Appeals; defining its functions; providing for appeals and review in certain cases; amending section 5, chapter 74, Laws of 1911, as last amended by section 1, chapter 246, Laws of 1947, and section 20, chapter 74, Laws of 1911, as last amended by section 1, chapter 280, Laws of 1943, and making an appropriation.

Be it enacted by the Legislature of the State of Washington:

Amendment. SECTION 1. Section 5, chapter 74, Laws of 1911, as last amended by section 1, chapter 246, Laws of 1947, is amended to read as follows:

Compensation to be received according to schedule. SECTION 5. Each workman who shall hereafter be injured in the course of his employment, or his family or dependents in case of death of the workman, shall receive out of the accident fund compensation in accordance with the following schedule, and, except as in this act otherwise provided, such payment shall be in lieu of any and all rights of action whatsoever against any person whomsoever.

COMPENSATION SCHEDULE.

Compensation schedule. (a) Where death results from the injury the expenses of burial not to exceed two hundred dollars (\$200) shall be paid to the undertaker conducting the funeral: *Provided*, That no sum shall be paid an undertaker for the burial expenses where the de-

Burial expenses.

Payment to undertaker.